

*Legal Sec. Audit*  
*Cia Sec. Audit*  
**SECRET** 1948

Executive for A&M

General Counsel

STATSPEC

Unvouchered Funds for [REDACTED] Bureau

STATINTL

1. Returned herewith is General Sibert's memorandum of 1 April 1948 on the above subject, and also attached is a memorandum from the Chief, Budget and Finance Branch concerning the implementation of the project if authorized. The Chief, [REDACTED] points out that the mechanics can quickly be carried out if the proposal is approved by appropriate authority. Since this expenditure is not authorized by regulations, the project should be submitted to the Projects Review Committee for recommendation to the Director in accordance with [REDACTED]

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2. The proposed allocation could not be made out of Vouchered Funds. Unvouchered Funds are normally to be used only for support of confidential activities where security is of paramount importance. In view of the fact that the situation presented by [REDACTED] is primarily an administrative problem of an overt operation supported by Vouchered Funds, security does not appear to be a principal factor.

3. The question for consideration by the Projects Review Committee, therefore, is whether the proposed expenditure is necessary to the extent that failure to authorize it would seriously impair the operations of the Agency. If the emergency is sufficiently serious to warrant an exception to the normal controls on Unvouchered Funds, there would be no legal objection to authorization of this allocation by the Director. We wish to emphasize our view that such relief for administrative problems by use of Unvouchered Funds, to avoid legal restrictions which prohibit the use of Vouchered Funds, should be limited to cases of absolute necessity. This is a proper point for consideration and recommendation by the Projects Review Committee.

LAWRENCE R. HOUSTON

LRH:mkt

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